



County of Los Angeles CHIEF EXECUTIVE OFFICE

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<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

June 2, 2010

To: All Department Heads

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name and title.

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

REMINDER OF RISK EXPOSURE COST AVOIDANCE PLAN STATUS REPORT

The Board of Supervisors continues to be very interested in reducing exposures, claims, and litigation expense, as well as advancing risk management practices within each department. As indicated in my September 25, 2009 memo, each department was to create a Risk Exposure Cost Avoidance Plan (RECAP) that specified the risk management objectives and the specific activities the department would implement by June 30, 2010. A status report should be submitted by August 31, 2010, using the template attached (see Attachment I).

Please remember that your second RECAP document, including all risk management objectives and activities planned for Fiscal Year 2010-11, is to be submitted to Steven E. NyBlom, CEO Risk Management Branch, by July 31, 2010. Not all of the annual claim performance information (claim frequency and expenses) for Fiscal Year 2009-10 will be available by July 31, 2010; available information will be provided to all departments by July 15, 2010. Partial-year information can be submitted when full-year data is not available. The RECAP template has not changed (see Attachment II).

RECAP risk management objectives should be clearly stated, realistic, and achievable:

1. Project activities for each objective should identify measurable milestones that will be accomplished toward achieving the objective.
2. Milestone completion dates should be noted along with the final project completion date.
3. Multi-year RECAP objectives should have clearly defined annual goals.

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4. Departments should consult with CEO Risk Management, as well as Risk Management Coordinators from other departments, to identify best practices for programs in return-to-work, workers' compensation, safety, liability claims, and other risk management functions.
5. RECAP objectives should, where appropriate, be tied to Department Head risk management Management Appraisal and Performance Plan (MAPP) goals to obtain upper management support.

Some suggested RECAP objectives are:

1. Create a committee to oversee, coordinate, and review risk management functions (health and safety, workers' compensation, return-to-work) in the department.
2. Develop a data storage system for environmental, safety, facility inspections, and other types of risk management reports written by third parties or internally. Ensure the system is searchable and easy to use.
3. Implement a vehicle use policy and comprehensive vehicle loss control program.
4. Develop and implement a comprehensive safety program as required by Cal/OSHA.
5. Implement an accident investigation process for all accidents.
6. Establish a system to track: 1) all costs associated with County vehicle maintenance and repairs, and 2) vehicle repairs covered for mileage permittees.

For assistance in developing your department's RECAP, please contact Steven E. NyBlom, Manager, CEO, at (213) 351-5346 or snyblom@ceo.lacounty.gov.

If you have any questions, please have your staff contact Ellen Sandt at (213) 974-1186 or esandt@ceo.lacounty.gov.

WTF:BC:EFS
SN:sg

Attachments

c: Each Supervisor

**RISK EXPOSURE COST AVOIDANCE PLAN (RECAP)
STATUS REPORT – FISCAL YEAR 2009-10
(Due August 31, 2010)**

DATE	DEPARTMENT

Summary and Assessment of Results:

Include a summary of your department's activities and an assessment of your results.

Note: The first two columns from the table below are from your Fiscal Year 2009-10 RECAP, Part 7, Departmental Risk Management Objectives.

RISK MANAGEMENT OBJECTIVES	PROJECT ACTIVITY DESCRIPTION (INCLUDE RESPONSIBLE INDIVIDUAL)	PROJECT STATUS
<i>Include content from your FY 2009-10 RECAP</i>	<i>Include content from your FY 2009-10 RECAP</i>	<i>Add the current status of each activity</i>

This status report should be submitted to:

Steven E. NyBlom, Manager, CEO
Risk Management Branch
Chief Executive Office
3333 Wilshire Boulevard, Suite 820
Los Angeles, CA 90010

Fax No. (213) 252-0405
Email: snyblom@ceo.lacounty.gov

County of Los Angeles Risk Management Guidelines

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Risk Exposure Cost Avoidance Plan (RECAP)

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Purpose

The Risk Exposure Cost Avoidance Plan (RECAP) is intended to provide County of Los Angeles (County) departments' management with an objective method to evaluate its risk management program, including liability claims, occupational safety, and workers' compensation claim performance. In addition, RECAP provides County departments with a systematic risk management planning process. The program involves the development and implementation of an annual risk management and occupational safety/liability loss control planning and objective completion tracking tool.

General Information

RECAPs are prepared each fiscal year, consisting of three principal parts: 1) Overview of Department Risk Management Program; 2) Statistical Goals; and 3) Risk Management Objectives, including project descriptions with target completion dates.

The following should be considered when preparing an annual RECAP:

- Critical risk management issues that result in liability or employee-related loss. Departments should utilize information provided in the department's Risk and Needs Assessment prepared by the Chief Executive Office (CEO) Risk Management Branch.
- Five to seven objectives with appropriate, clearly defined project activity description(s).
- Solving the risk management issues within the department.
- Statistical goals must demonstrate plan effectiveness to be evaluated according to the successful completion of these objectives.
- Do not focus on routine or maintenance-type projects/activities (i.e., monthly inspections, monthly safety meetings, etc.) unless there is a need to restructure the project activities to improve performance.
- Senior Management should approve each plan and conduct mid-year performance reviews versus plan objectives.
- Submit an annual RECAP plan to the CEO Risk Management Branch by the end of each fiscal year (June 30). In addition, all departments are required to submit both mid- and year-end status reports to the CEO Risk Management Branch.
- CEO Risk Management Branch staff is available for assistance in completing RECAPs.

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Risk Management Cost Reduction Planning Program

Fiscal Year:

Department:

APPROVALS:

Risk Management Coordinator

Signature

Date

Department Head

Signature

Date

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Overview of Department Risk Management Program

Fiscal Year:

Attach additional pages if necessary.

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Performance Data and Statistical Goals/Trends

Fiscal Year (FY)

1. Liability Claim Performance

Measure	Actual FY ()	Actual FY ()	Actual FY ()	3-Year Average
Total number of all claims. ¹				
Number of General Liability claims.				
Total indemnity (OC) paid ² for General Liability claims.				
Total legal fees and costs (SS) paid ² for General Liability claims.				
Number of Vehicle Liability claims.				
Total indemnity (OC) paid ² for Vehicle Liability claims.				
Total legal fees and costs (SS) paid ² for Vehicle Liability claims.				
Number of Medical Malpractice claims.				
Total indemnity (OC) paid ² for Medical Malpractice claims.				
Total legal fees and costs (SS) paid ² for Medical Malpractice claims.				
Total indemnity (OC) paid ² for all claims.				
Total legal fees and costs (SS) paid ² for all claims.				
Total Outstanding Liability (total reserves) for all claims.				

1. Number of claims is the total of all claims (including all suffixes) entered into the Risk Management Information System (RMIS) during the fiscal year.
2. Total paid is based on transaction dates within each fiscal year as listed in RMIS.

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2. Workers' Compensation Claim Performance

Measure	Actual FY ()	Actual FY ()	Actual FY ()	3-Year Average
Number of new Workers' Compensation claims filed during the period.				
Number of open and re-opened Workers' Compensation claims as of June 30.				
Total Workers' Compensation expense paid during the period.				
Total paid for Salary Continuation/Labor Code 4850 during the period.				
Number of employees ¹ as of June 30.				
Workers' Compensation Claim Report Rate (number of claims reported per 100 employees) for the period.				

1. Number of employees is the sum of currently filled full-time and part-time positions.

3. Occupational Safety and Health Performance

Measure	Actual CY ¹ ()	Actual CY ()	Actual CY ()	3-Year Average
Total number of cases with days away from work ² .				
Total number of cases with job transfer or restriction ² .				
Total number of other recordable cases ² .				
Total number of days of job transfer or restriction ² .				
Total number of days away from work ² .				
Number of deaths ² .				
Total OSHA Incident Rate. (Incidence Rate for all recordable cases of injury and illness) ³ .				
Lost Workday Incident Rate.				

1. The OSHA recordkeeping process is based on Calendar Year (CY).
2. This information is available from the Departmental OSHA 300 log(s).
3. Can be calculated using the Cal/OSHA Form titled: *Calculating Injury and Illness Incidence Rates*.

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4. Vehicle and Fleet Safety Performance

Measure	Actual FY ()	Actual FY ()	Actual FY ()	3-Year Average
Number of Department-owned vehicles.				
Total number of vehicle accidents involving Department-owned (or leased) vehicles.				
Number of preventable vehicle accidents involving Department-owned (or leased) vehicles.				
Number of non-preventable vehicle accidents involving Department-owned (or leased) vehicles.				
Total cost paid for damage involving Department-owned (or leased) vehicles (not including third party claim/damage cost).				
Number of Department permittee drivers as of June 30.				
Number of permittee miles driven during period.				
Total number of vehicle accidents involving permittee drivers.				
Number of preventable vehicle accidents involving permittee drivers.				
Number of non-preventable vehicle accidents involving permittee drivers.				
Total cost paid for damage involving vehicles driven by permittee drivers (not including third party claim/damage cost).				

5. Department Cost of Risk

Measure	Actual FY ()	Actual FY ()	Actual FY ()	3-Year Average
Department operating budget.				
Total Workers' Compensation expense paid during the period.				
Total Liability cost paid during the period.				
Total Salary Continuation/Labor Code 4850 cost paid during the period.				
Total Workers' Compensation, Liability, and Salary Continuation/Labor Code 4850 cost paid during the period.				
Cost of Risk (% total paid/operating budget).				

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6. Department Cost Reduction Goal

Reduction goal category:

The cost reduction goal category is based on a reduction in: 1) Total liability cost paid; 2) Total workers' compensation cost paid; or 3) Total Cost of Risk.

Measure	Percentage Cost Reduction Goal	Cost Reduction Goal
Far Exceeds Expectations		
Exceeds Expectations		
Meets Expectations		

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7. Departmental Risk Management Objectives

Department:

RISK MANAGEMENT OBJECTIVES	PROJECT ACTIVITY DESCRIPTION (INCLUDE RESPONSIBLE INDIVIDUAL)	PROJECT COMPLETION DATE

Attach additional pages if necessary.

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Department A
FY 2009-10

SAMPLE RISK MANAGEMENT OBJECTIVES

RISK MANAGEMENT OBJECTIVES	PROJECT ACTIVITY DESCRIPTION (INCLUDE RESPONSIBLE INDIVIDUAL)	PROJECT COMPLETION DATE
Establish a risk management performance data collection process.	Department Risk Management Coordinator will work with department finance and operations management to develop, track, and report key risk management data to executive management on a monthly basis. Performance data to include safety, workers' compensation, liability claims, and vehicle safety measures.	Monthly report will be developed, approved, and distributed by December 1, 2009 (for October 2009 period).
Develop and conduct supervisor/manager risk management training for all departmental supervisors and managers.	Department Risk Management Coordinator will work with CEO Risk Management, County Counsel, and the Department of Human Resources to implement system-wide risk management training for all effected supervisors and managers.	Initial training (20% of identified participants) will be conducted by January 1, 2010 , with 80% of the identified participants trained by May 31, 2010 .
Conduct a comprehensive risk management staffing/function evaluation.	Assigned departmental manager (Administrative Deputy or Chief Deputy) will work with CEO Risk Management to draft a staffing review scope and conduct a detailed evaluation of departmental risk management resources.	Study will be completed and reported to Department Director and Deputy Chief Executive Officer by April 1, 2010 .
Develop and implement a comprehensive fleet safety program within the department.	Assigned manager will evaluate the departmental vehicle/fleet exposure and draft/implement a department-wide fleet safety program.	Fleet safety program will be drafted and approved by Department Head by November 1, 2009 . Approved program will be implemented for affected drivers by June 30, 2010 .

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8. Performance Data and Statistical Goal Definitions

Liability Claim:	A document submitted by a third party in accordance with statutory requirements, and alleging personal injury, bodily injury, property damage, or other losses sustained due to the acts or omissions of the County, its employees, officers, or agents. This is the total number of open/closed claims that were filed during the period. A claim includes all lawsuits and claims, but does not include incident reporting, unless a claim is opened as a result of the incident report.
General Liability Claim:	Claim arising when negligent acts and/or omissions result in bodily injury and/or property damage on the premises of a business, when someone is injured as the result of using the product manufactured or distributed by a business, or when someone is injured in the general operation of a business.
Vehicle Liability Claim:	Claim arising from negligent operation of a motor vehicle involving third party damage to property and/or people.
Medical Malpractice Claim:	Claim arising from professional negligence by act or omission by a health care provider in which care provided deviates from accepted standards of practice in the medical community and causes injury <i>or death</i> to the patient.
Indemnity Cost (OC):	Amount of money paid to compensate claimant and/or plaintiffs for damages, including <u>their</u> attorney fees and cost that are paid by the County. Cost listed as (OC) in RMIS.
Legal Fees and Costs (SS):	Amount of money paid for defense counsel (in-house and/or panel attorney) for a claim that are paid by the County. Cost listed as (SS) in RMIS.
Total Paid:	This is the actual amount of money paid on a claim during the reporting period. This is not the amount agreed to or discussed in settlement, but the actual amount of money disbursed on the claim, to include both indemnity (OC) and legal fees and costs (SS).
Total Outstanding Liability:	Total outstanding cost (reserves) for all liability claims at a point in time.
Workers' Compensation Claim:	Claim filed by Department employee for injury and/or illness that arose out of the course and scope of employment and provides compensation and medical care for employees who are injured in the course of employment, in exchange for mandatory relinquishment of the employee's right to sue his or her employer for the tort of negligence.
Salary Continuation/Labor Code 4850:	Supplemental salary replacement benefits paid in excess of indemnity benefits provided by the workers' compensation system according to County Code or State of California law.
OSHA Recordable Injury:	Occupational injury or illness that requires medical treatment, more than simple first aid, which must be reported on the OSHA 300 log.

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OSHA Lost Workday Injury:	The number of workdays (consecutive or not) on which the employee would have worked but could not because of occupational injury or illness.
OSHA Total Incident Rate:	Number of recordable injuries and illnesses occurring among a given number of full-time workers (usually 100 full-time workers) over a given period of time (usually one year).
Lost Workday Incident Rate:	Number of injuries and illnesses resulting in lost workdays occurring among a given number of full-time workers (usually 100 full-time workers) over a given period of time (usually one year).
Vehicle Accident:	An accident involving a Department-owned/leased vehicle and/or a permittee-owned vehicle (including drivers classified as occasional drivers) that resulted in damage or any other type of loss to persons, property, etc.
Department-Owned/Leased Vehicles:	Vehicles driven by County employees owned or leased by the Department or County. These are not the drivers' personal vehicles.
Number of Miles Driven During Period:	Actual number of miles driven by Departmental drivers for County-related activity (course and scope of work).
Permittee Driver:	County employee who is participating in the County permittee driver program and is certified/approved to drive a non-Department-owned vehicle for work purposes.
Risk Management Information System (RMIS):	The County's risk management and claims administration management system with ad-hoc reporting capabilities, which supports County claims administration, financial, statistical, and loss prevention functions.
Cost of Risk:	Percentage of Total Paid/Department Operating Budget.
Preventable Accident:	An accident in which the driver did not use all reasonable precautions in attempting to prevent the accident, regardless of any legal rights. Failure to report mechanical defects, when known, is cause for finding an accident preventable. If an accident results, even indirectly, from a violation of the California Vehicle Code, it is classified as preventable.
Non-preventable Accident:	An accident in which the employee exercised good judgment and used every reasonable means to avoid the accident. No violations of defensive driving practices must have been involved, and there must have been proper use of the vehicle as prescribed by the California Vehicle Code and County and departmental policies.

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